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WASHINGTON, D.C.

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December 17, 1993

RECORDATION NO. 18357-14 FILED 1425

DEC 20 1993 -9 05 AM

INTERSTATE COMMERCE COMMISSION

RECEIVED
OFFICE OF THE
SECRETARY
DEC 20 8 57 PM '93
LICENSING BRANCH

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three duly executed copies of an Assignment and Assumption Agreement, dated as of December 17, 1993, a secondary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The enclosed document relates to the beneficial interest of Pac Rail III under that certain Railroad Equipment Lease dated as of August 3, 1993 which was filed with the Commission on August 3, 1993 under Recordation Number 18357.

The names and addresses of the parties to the enclosed document are:

Assignor: Pac Rail III
Two Embarcadero Center, Suite 1655
San Francisco, California 94111

Owner Trustee: First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84130

Assignee: Pitney Bowes Credit Corporation
300 Atlantic Street
Stamford, Connecticut 06901

A description of the railroad equipment covered by the enclosed document is:

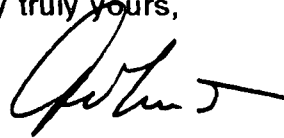
forty (40) GM SD40-2 locomotives bearing road marks and numbers CR 6960 - CR 6999, inclusive.

Mr. Sidney L. Strickland, Jr.
December 17, 1993
Page 2

Also enclosed is a check in the amount of \$18.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return two stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Robert W. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

DEC 20 1993 -9 05 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") dated December 17, 1993 is made by and between PAC RAIL III, a California corporation ("Assignor"), FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity but solely as Owner Trustee unless otherwise provided ("Owner Trustee"), and PITNEY BOWES CREDIT CORPORATION, a Delaware corporation ("Assignee").

WHEREAS, Assignor, Concord Asset Management, Inc., a New York corporation, the Owner Trustee, and the Assignee have entered into a Purchase, Assignment and Assumption Agreement dated as of December 15, 1993 (the "Purchase Agreement") pursuant to which Assignor has agreed to transfer to Assignee its right, title and beneficial interest in 40 rebuilt SD 40-2 locomotives subject to a Lease Agreement between the Owner Trustee and Consolidated Rail Corporation, a Pennsylvania corporation dated as of August 3, 1993, as supplemented (the "Lease").

WHEREAS, pursuant to the Purchase Agreement, Assignor and Assignee and the Owner Trustee have agreed, subject to the terms and conditions of the Purchase Agreement, to enter into this Assignment and Assumption Agreement for purposes of recordation of the assignment contemplated by the Purchase Agreement with the Interstate Commerce Commission of the United States and pursuant to the Canadian Railway Act of Canada.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration the receipt and adequacy of which is hereby acknowledged and intending to be legally bound, the parties agree as follows:

1. PURCHASE, SALE AND ASSIGNMENT.

1.1 Assignment of Beneficial Interest. Effective as of the date hereof, Assignor irrevocably sells, assigns, transfers, and conveys to Assignee all right, title and interest of Assignor in and to the Trust Agreement between the Assignor and the Owner Trustee dated as of August 3, 1993 as supplemented (a copy of which is attached hereto as Annex A) and the Trust Estate (as defined in the Trust Agreement) including the Equipment referred to therein and listed in Annex B hereto (collectively, the "Beneficial

Interest"). Nothing herein is intended, nor shall any provision hereof be deemed, to abrogate any rights accrued to Assignor prior to the assignment hereunder with respect to the Tax Indemnity Agreement, the indemnities under the Lease, or the proceeds of liability insurance maintained pursuant to the Lease.

1.2 Assumption. Effective as of the date hereof, Assignee accepts the foregoing sale, assignment, transfer and conveyance and hereby assumes all of the obligations of the Assignor with respect to the Trust Estate on the terms and conditions set forth in the Trust Agreement, the Participation Agreement and the other Operative Documents; provided, however, that Assignor shall remain liable for its obligations with respect to the Trust Estate to the extent that such obligations were incurred as the result of events occurring prior to the date hereof.

1.3 Payments to Assignor. If Assignee or if the Owner Trustee shall receive any amount under any Operative Document which Assignor is entitled to receive pursuant to this Section 1 with respect to the period prior to the Time of Transfer ("Prior Claims") or in respect of any rights reserved under Section 1.1 it shall promptly remit or cause the Owner Trustee to remit such amount to the Assignor, and until so remitted any such amount received by Assignee or the Owner Trustee shall be received and held in trust by Assignee or the Owner Trustee respectively for the benefit of Assignor. If Assignor shall receive any amount relating to the Operative Documents or any of the transactions contemplated hereby (other than any amount received in respect of a Prior Claim or a right reserved under Section 1.1), Assignor shall promptly remit such amount to Assignee, and until so delivered any such amount received by Assignor shall be received and held in trust by Assignor for the benefit of the Assignee; provided, however, that nothing is intended herein to subordinate any rights of Assignee to Assignor's Prior Claims and Assignor shall have no lien, interest or right against the Trust Estate for payment of such Prior Claims.

2. MISCELLANEOUS

2.1 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which counterparts when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

2.2 GOVERNING LAW. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK.

2.3 Interpretation. References in this Agreement to sections, paragraphs, clauses, appendices, schedules and exhibits are to the same in and to this Agreement unless otherwise specified. The headings of the various sections, paragraphs and clauses of this Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof. The appendices, schedules and exhibits are part of the body of this Agreement.


[This space is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

"Assignor"

PAC RAIL III, a California corporation

By:


Name: EDMUND R. GARVEY
Title: President

"Assignee"

PITNEY BOWES CREDIT CORPORATION, a Delaware corporation

By:

Name: _____
Title: _____

ACKNOWLEDGED:

"Owner Trustee"

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity
but solely as Owner Trustee,
unless otherwise provided

By:

Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.


"Assignor"

PAC RAIL III, a California corporation

By: _____
Name: _____
Title: _____

"Assignee"

PITNEY BOWES CREDIT CORPORATION, a Delaware corporation

By:  _____
Name: MATTHEW A. SAWAYA
Title: REGIONAL CREDIT MANAGER

ACKNOWLEDGED:

"Owner Trustee"

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity
but solely as Owner Trustee,
unless otherwise provided

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

"Assignor"

PAC RAIL III, a California corporation

By: _____
Name: _____
Title: _____

"Assignee"

PITNEY BOWES CREDIT CORPORATION, a Delaware corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGED:

"Owner Trustee"

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity
but solely as Owner Trustee,
unless otherwise provided

By:  _____
Name: Greg A. Hawley
Title: Assistant Vice President

ACKNOWLEDGMENT

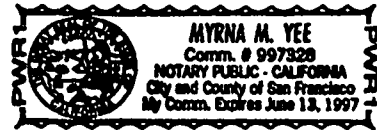
STATE OF CALIFORNIA)
) SS.
COUNTY AND CITY OF SAN FRANCISCO)

On December 13, 1993 before me, Myrna M. Yee, personally appeared Edward A. Garvey personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature:

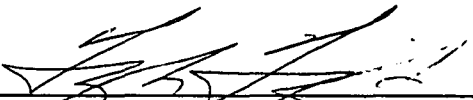
[Signature]
Notary



CORPORATE FORM OF ACKNOWLEDGEMENT

State of Connecticut)
) SS:
County of Fairfield)

On this 13th day of December, 1993, before me personally appeared Matthew A. Donovan, to me personally known, who being by me duly sworn, says that he is the Region Credit Manager of Pitney Bowes Credit Corporation, that said instrument was signed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Signature of Notary Public

TYLER G. TRANZILLO
NOTARY PUBLIC
MY COMMISSION EXPIRES JAN. 31, 1996

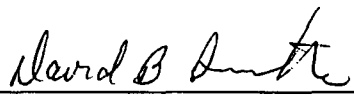
My commission expires _____

Seal

STATE OF UTAH)
)
COUNTY OF SALT LAKE) ss:

On December 13, 1993, before me, the undersigned, a Notary Public in and for said State, personally appeared Greg A. Hawley, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed this instrument as the Assistant Vice President of First Security Bank of Utah, National Association, not in its individual capacity, but solely as Trustee, or on behalf of the national association therein named, and acknowledged to me that the national association executed this instrument pursuant to its by-laws or a resolution of its board of directors.

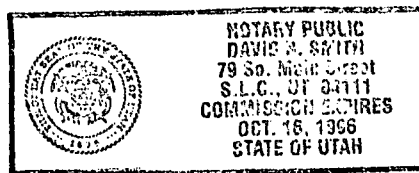
WITNESS my hand and official seal.



Notary Public in and for Said State

My Commission Expires:

[Notarial Seal]



ANNEX A

TRUST AGREEMENT

dated as of August 3, 1993

between

PAC RAIL III

Beneficiary

and

**FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION**

Trustee

TRUST AGREEMENT

This TRUST AGREEMENT dated as of August 3, 1993 between PAC RAIL III, a California corporation (the "Beneficiary"), and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, (in its individual capacity, "Bank" and, not in its individual capacity but solely in its capacity as trustee hereunder, the "Trustee").

ARTICLE 1.

DEFINITIONS; DECLARATION OF TRUST; AUTHORITY TO EXECUTE CERTAIN DOCUMENTS

SECTION 1.01. Definitions.

Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Participation Agreement dated as of August 3, 1993 among Consolidated Rail Corporation, as Lessee; the Beneficiary; the Owner Trustee; Concord Asset Management, Inc., as Lender; and Pac Rail, as Original Lessor.

SECTION 1.02. Declaration of Trust.

The Trustee hereby declares that it will hold all estate, right, title and interest in and to each Unit, the Operative Documents any other agreements, instruments or documents relating to such Unit, including without limitation, all amounts of rent, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to such Unit (collectively, the "Trust Estate") upon the trust hereinafter set forth for the use and benefit of the Beneficiary, subject, however, to the provisions of and the Lien created by the Mortgage.

SECTION 1.03. Authority to Execute Documents.

The Beneficiary hereby authorizes and directs the Trustee and the Trustee agrees to execute and deliver each of the Operative Documents to which the Trustee is a party and any other agreements, instruments or documents to which the Trustee is a party and, subject to the terms hereof, to exercise its rights and perform its duties under such agreements, instruments or documents in accordance with the terms thereof. The Trustee further agrees to take such other

action and to execute, deliver and perform such other agreements, instruments, documents and certificates as the Beneficiary may from time to time authorize and direct to give effect to the foregoing.

SECTION 1.04. Conflict with Mortgage.

If, but only to the extent that, any provision of this Trust Agreement conflicts with any provision of the Mortgage, the provisions of the Mortgage shall govern.

SECTION 1.05. Removal of Trustee.

The Beneficiary may remove the Trustee with cause by a notice in writing delivered to the Trustee, the Lender, and Lessee, such removal to be effective upon the acceptance of appointment by the successor Trustee under Section 6.01(c) hereof.

ARTICLE 2.

ACCEPTANCE AND DELIVERY OF UNITS,
TITLE TO UNITS

Section 2.01. Authorization.

The Beneficiary hereby authorizes and directs the Trustee to, and the Trustee agrees for the benefit of the Beneficiary that on each Delivery Date the Trustee will, as Trustee hereunder, subject to due compliance with the terms of Section 2.02 of this Agreement:

(a) accept delivery of each Unit from time to time delivered in accordance with the Participation Agreement, accept any and all bills of sale with respect to such Unit furnished pursuant to Section 3(b)(i) or 3(f)(iii) of the Participation Agreement, as the case may be, and the terms hereof, and execute and deliver a certificate of acceptance for such Unit;

(b) execute and deliver the Lease Supplement, the Trust Agreement Supplement and Mortgage Supplement for such Unit; and

(c) on the First Delivery Date, issue to the Lender the Note to be issued to the Lender, in the

amount and otherwise as provided in Section 7(b) of the Loan Agreement.

SECTION 2.02. Conditions.

The obligation of the Trustee to take the action required by Section 2.01 with respect to any Unit shall be subject to the following conditions precedent:

(a) the Trustee shall have received notice of the Delivery Date for the applicable Unit from the Lessee (or the Beneficiary shall have directed the Trustee to waive receipt of such notice) in accordance with the terms of the Participation Agreement;

(b) the Lender shall have made available to the Trustee the full amount of the Loan with respect to such Unit in accordance with the terms of the Participation Agreement; and

(c) the terms and conditions of Section 4 of the Participation Agreement shall have been complied with in a manner satisfactory to the Trustee and to the Beneficiary (or waived) and the Beneficiary shall have so notified the Trustee.

ARTICLE 3.

**RECEIPT, DISTRIBUTION AND APPLICATION OF
INCOME FROM THE TRUST ESTATE**

SECTION 3.01. Distribution.

(a) Distribution of Payments. Any payment of rent, insurance proceeds and requisition or other payments of any kind made in respect of any Unit received by the Trustee (other than Excluded Payments) and any other amounts received as part of the Trust Estate which relates to such Unit and for the application or distribution of which no provision is made herein, shall be distributed forthwith upon receipt by the Trustee in the following order of priority; first, so much of such payment for which provision as to the application thereof is contained in the Mortgage or the Loan Agreement shall be applied and distributed in accordance with the terms of the Mortgage or the Loan Agreement, as the case may be; second, so much of such payment as shall be required to reimburse the Trustee for any expenses not otherwise

reimbursed, as to which the Trustee is entitled to be so reimbursed, pursuant to the provisions hereof, shall be retained by the Trustee; and third, the balance, if any, shall be paid to the Beneficiary.

(b) Excluded Payments. Any Excluded Payments received by the Trustee shall be paid by the Trustee to the Beneficiary, the Bank or other person to whom such Excluded Payments are payable under the provisions of the applicable Operative Documents.

SECTION 3.02. Method of Payments.

The Trustee shall make distributions or cause distributions to be made to the Beneficiary pursuant to this Article III (i) by transferring by wire transfer the amount to be distributed to such account or accounts of the Beneficiary as it may designate from time to time in writing to the Trustee in immediately available funds or (ii) if the Trustee is so instructed in writing by the Beneficiary, by mailing an official bank check or checks in such amount or amounts payable to the Beneficiary at such address as the Beneficiary shall designate.

ARTICLE 4.

THE TRUSTEE

SECTION 4.01. Acceptance of Trust and Duties.

The Bank accepts the trusts hereby created and agrees to perform the same but only upon the terms hereof applicable to it. The Trustee also agrees to receive and disburse all monies received by it constituting part of the Trust Estate upon the terms hereof. The Bank shall not be answerable or accountable under any circumstances, except for (a) its own willful misconduct or gross negligence or that of the Trustee, (b) for its or the Trustee's failure to use ordinary care to disburse funds or to comply with express written instructions received from the Beneficiary and (c) for liabilities that may result from the inaccuracy of any representation or warranty of the Bank or from the failure by the Bank to perform any covenant made by it herein or in or pursuant to any Operative Document.

SECTION 4.02. Representations, Warranties and Covenants.

(a) No Representations or Warranties as to Certain Matters. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN OR IN OR PURSUANT TO ANY OPERATIVE DOCUMENT, NEITHER THE BANK NOR THE TRUSTEE MAKES AND SHALL NOT BE DEEMED TO HAVE MADE (i) ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, VALUE, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE OF THE UNIT OR ANY PART THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE UNIT WHATSOEVER, or (ii) any representation or warranty as to the validity, legality or enforceability of this Trust Agreement or any Operative Document executed and delivered pursuant to Section 2.01 to which the Trustee is a party, or any other document, agreement or instrument, or as to the correctness of any statement contained in any thereof except to the extent that any such statement is expressly made herein or therein as a representation or warranty by the Bank.

SECTION 4.03. Not Acting in Individual Capacity.

The Bank, in accepting the trusts hereby created, acts in its individual capacity, but (except as otherwise expressly provided in this Trust Agreement or in or pursuant to any Operative Document) in executing the trust herein created, the Bank will act solely as trustee hereunder and not in its individual capacity and all persons, other than the Beneficiary (as expressly provided herein or in or pursuant to any Operative Document) shall look only to the Trust Estate for payment or satisfaction thereon.

SECTION 4.04. Fees, Compensation.

The Trustee shall be entitled to receive from the Trust Estate as compensation for its services hereunder such fees as may heretofore and from time to time hereafter be agreed upon by the Trustee and the Beneficiary together with reimbursement for all reasonable expenses (including reasonable attorneys' fees) incurred or made by it in accordance with any of the provisions of this Trust Agreement or any other Operative Document, provided, however, that the Trustee's right to receive compensation from the Trust Estate shall be subject and subordinate to the Lender's rights in the Trust Estate under the Mortgage.

SECTION 4.05. Tax Returns.

The Trustee shall keep all appropriate books and records relating to the receipt and disbursement of all monies under this Trust Agreement or any agreement contemplated hereby. The Beneficiary will prepare all tax returns required to be filed with respect to the trust created hereby and the Trustee, upon request, will furnish the Beneficiary with all such information as may be reasonably required from the Trustee in connection with the preparation of such tax returns. The Trustee will execute and file the tax returns as prepared by the Beneficiary.

SECTION 4.06. Trustee May Rely.

The Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably and in good faith believed by it to be genuine and signed by the proper party or parties thereto. The Trustee may accept a copy of a resolution of the board of directors of any corporate party, certified by the secretary, an assistant secretary or any corporate party, certified by the board of directors of any corporate party, certified by the secretary, an assistant secretary or any other officer of the said party as duly adopted and in full force and effect, as conclusive evidence that such resolution has been adopted by said board and is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes hereof rely on a certificate, signed by or on behalf of the party executing such certificate, as to such fact or matter, and such certificate shall constitute full protection of the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the Trust, Trustee may, at the reasonable cost and expense of Beneficiary, seek advice of counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for any thing done, suffered or omitted in good faith by it in accordance with the actions, advice or opinion of any such counsel, agents, accountants or other skilled persons appointed by it with reasonable care and not contrary to this Agreement.

SECTION 4.07. Trustee's Duty to Act.

Trustee shall not have any duty (i) to see to any insurance on any Unit or maintain any such insurance, (ii) to see to the payment or discharge of any tax, assessment or

other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any Unit (provided, however, that Trustee shall not create, permit or suffer to exist any lien or encumbrance on any part of any Unit which results from claims against the Bank unrelated to its capacity as Trustee hereunder), (iii) to confirm or verify any notices or reports other than to furnish to Beneficiary a copy of each notice or report furnished to Trustee with respect to any Unit, (iv) to inspect any Unit at any time, or (v) except as set forth herein, to see to any recording or see to the maintenance of any such recording or filing with the ICC or other government agency.

SECTION 4.08. No Expenses for Trustee.

Trustee shall not have any obligation by virtue of the Agreement to expend or risk any of its own funds, or to take any action which could, in the reasonable opinion of Trustee, result in any cost or expense being incurred by Trustee, if it shall have reasonable grounds for believing that repayment of such funds is not reasonably assured to it. Trustee shall not be required to take any action or refrain from taking any action under this Agreement unless it shall have been indemnified by Beneficiary in a manner and form satisfactory to Trustee against any liability, cost or expense (including reasonable attorneys' fees) which may be incurred in connection therewith. No provision of this Agreement shall be deemed to impose any duty on Trustee to take any action if Trustee shall have been advised by counsel that such action would expose it to personal liability, is contrary to the terms hereof or is contrary to law.

ARTICLE 5.

INDEMNIFICATION OF BANK BY BENEFICIARY

SECTION 5.01. Beneficiary to Indemnify the Bank.

The Beneficiary hereby agrees, to assume liability for, and indemnify, protect, save and keep harmless the Bank and its successors, assigns, legal representatives, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, taxes (excluding any taxes payable by the Bank on or measured by any compensation received by the Trustee for its services hereunder), claims, actions, suits, costs, expenses or disbursements (including,

without limitation, reasonable legal fees and expenses, and including without limitation any liability of an owner, any strict liability and any liability without fault) of any kind and nature whatsoever (hereinafter "Claims") which may be imposed on, incurred by or asserted against the Bank (whether or not also indemnified against by the Lessee under the Lease or also indemnified against by any other person) in any way relating to or arising out of this Trust Agreement or any of the Operative Documents executed and delivered pursuant to Section 2.01 or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, nonacceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit (including, without limitation, latent and other defects, whether or not discoverable and any claim for patent, trademark or copyright infringement), or in any way relating to action or inaction of the Trustee hereunder; provided, however, that no indemnity shall be payable hereunder for any Claims (a) resulting from (i) willful misconduct or gross negligence by the Trustee or the Bank, (ii) the inaccuracy of any representation, covenant or warranty of the Bank or the failure of the Bank to perform or its breach of any of its covenants made herein or in or pursuant to any Operative Document, (iii) the failure to use ordinary care on the part of the Trustee or the Bank in the disbursement of funds, (iv) any actions taken by the Bank as a trustee under any trust agreement other than this Trust Agreement, or (b) for which an indemnity is paid by the pertinent Lessee or any other person. The indemnities contained in this Section 5.01 extend to the Bank only and shall not be construed as indemnities of the Trust Estate. The indemnities contained in this Section 5.01 shall survive the termination of this Trust Agreement. In addition, and to secure the foregoing indemnities, the Bank, to the extent not reimbursed by the Beneficiary or others shall have a lien on the applicable portion of the Trust Estate, which shall be prior to any interest therein of the Beneficiary. The payor of any indemnity under this Article V shall be subrogated to any right of the person indemnified in respect of the matters as to which such indemnity was paid.

ARTICLE 6.

SUCCESSOR TRUSTEES

SECTION 6.01. Resignation of Trustee; Appointment of Successor.

(a) The Trustee or any successor Trustee may resign at any time without cause by giving at least sixty (60) days' prior written notice to the Beneficiary, the Lessee, and the Lender, such resignation to be effective upon the acceptance of appointment by the successor Trustee under Section 6.01(c). For the case of resignation or removal (pursuant to Section 1.05 hereof) of the Trustee, the Beneficiary may appoint a successor Trustee by an instrument in writing. If a successor Trustee shall not have been appointed within thirty (30) days after such notice of resignation or removal, the Trustee or the Beneficiary may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed as above provided. The Trustee or any successor Trustee shall continue to serve in such capacity until his, her or its successor shall have accepted the appointment as next successor Trustee. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed as above provided within one (1) year from the date of the appointment by such court.

(b) Execution and Delivery of Documents, Etc. Any successor Trustee, however appointed, shall execute and deliver to the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Trustee in the trust hereunder with like effect as if originally named as Trustee herein, but nevertheless, upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee, upon the trust herein expressed, all the estates, properties, rights, duties, powers and trusts of such predecessor Trustee, and such predecessor Trustee shall duly assign, transfer, deliver and pay over to such successor Trustee all monies or other property then held by such predecessor Trustee upon the trust herein expressed.

(c) Qualification. Any successor Trustee, however appointed, shall be a bank or trust company organized under

the laws of the United States or any state thereof having a combined capital and surplus of at least \$50,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Trustee hereunder upon reasonable or customary terms.

ARTICLE 7.

AMENDMENTS TO TRUST AGREEMENT AND OTHER DOCUMENTS

SECTION 7.01. Amendments.

This Trust Agreement may not be amended or otherwise modified except by an instrument in writing signed by the Trustee and the Beneficiary.

ARTICLE 8.

MISCELLANEOUS

SECTION 8.01. Transfer of Beneficial Interest.

(a) As between the Trustee and the Beneficiary, the Beneficiary may freely assign or transfer all or any portion of its interest in the Trust Estate; provided, however, that any assignee or transferee of such interest shall have entered into a written agreement to assume pro-rata but unconditionally, and become legally bound by, all of the obligations of the Beneficiary under this Trust Agreement and the Operative Documents relating thereto.

(b) If the Beneficiary shall propose to transfer or assign any of its interests hereunder with respect to any Trust Estate, it shall give written notice to the Trustee specifying the name and address of the proposed transferee.

(c) The foregoing clauses (a) and (b) shall not apply to a Beneficial Interest Assignment and the Beneficiary may enter into any Beneficial Interest Assignment.

SECTION 8.02. Termination of Trust Agreement.

This Trust Agreement and the trust created hereby shall be of no further force and effect upon the earlier of (a) notice of the Beneficiary to the Trustee of such

termination; (b) the sale or other final disposition by the Trustee of all Unit then subject to the terms and conditions of this Trust Agreement and the final distribution by the Trustee of all monies or other property or proceeds constituting part of the Trust Estate in accordance with Article III hereof, unless otherwise mutually agreed to in writing by each of the parties hereto; or (c) one hundred ten (110) years following the date of the earliest execution of this Trust Agreement by any party hereto (or, without limiting the generality of the foregoing, if legislation shall become effective providing for the validity or permitting the effective grant of such rights, privileges and options for a period in gross, exceeding the period for which such rights, privileges and options are hereinabove stated to extend and be valid), then such rights, privileges or options shall not terminate as aforesaid but shall extend to and continue in effect until, but only if such non-termination and extension shall then be valid under applicable law; otherwise this Trust Agreement and the trust created hereby shall continue in full force and effect in accordance with the terms hereof. Upon termination of this Trust Agreement, the Trustee shall take such action as may be requested by the Beneficiary to transfer the Trust Estate to the Beneficiary or its designee, including without limitation, execution of instruments of transfer or assignment with respect to any of the documents to which the Trustee is a party in accordance with the terms hereof.

SECTION 8.03. Beneficiary Has No Legal Title in Trust Estate.

The Beneficiary does not have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any right, title and interest of the Beneficiary in and to the Trust Estate hereunder shall operate to terminate this Trust Agreement or the trust hereunder or entitle any successors or transferees of the Beneficiary to an accounting or to the transfer of legal title to any part of the Trust Estate.

SECTION 8.04. Trust Agreement for Benefit of Certain Parties Only.

Nothing herein, whether express or implied, shall be construed to give any person other than the Trustee and the Beneficiary any legal or equitable right, remedy or claim under or in respect of this Trust Agreement; but this Trust Agreement shall be held to be for the sole and exclusive benefit of the Trustee and the Beneficiary.

SECTION 8.05. Waivers, Etc.

No term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing entered into in accordance with the terms of Article VII hereof; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

SECTION 8.06. Counterparts.

This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts shall together constitute but one and the same instrument.

SECTION 8.07. Binding Effects, Etc.

All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Trustee and its successors and assigns and the Beneficiary and its successors and assigns. Any request, notice, direction, consent, waiver or other instrument or action of the Beneficiary shall bind its successors and assigns.

SECTION 8.08. Headings, References.

The headings of the various Articles and Sections herein are for convenience and reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 8.09. Governing Law.

This Trust Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Utah, including all matters of construction, validity and performance.

SECTION 8.10. Address of Trustee; Situs of Trust.

The Bank represents, warrants and covenants that the trust created hereby maintains its chief executive office and principal place of business at and that the place where all records relating to the Trust Estate are kept is at 79 South Main Street, Salt Lake City, Utah 84130-0007 and that the Trustee will not change the chief executive office of the trust created hereby nor the place where the records relating to the Trust Estate are kept except upon 60 days' prior

written notice to the Beneficiary, the Lessee and the Lessor's Lender.

SECTION 8.11. Notices.

All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by telecopier, telex or by prepaid courier service, and shall be deemed to be given for purposes of this Trust Agreement on the day that such writing is delivered or, if sent by telecopier or telex, when acknowledged. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 8.11, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective telecopier numbers) as follows:

First Security Bank of Utah,
National Association
79 South Main Street
Salt Lake City, Utah 84130-0007
Attn: Corporate Trust Department
Telephone: (801) 246-5826
Telecopier: (801) 246-5053

Pac Rail III
c/o Pacific Rail Leasing
Two Embarcadero Center
San Francisco, CA 94111
Telecopier:

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IN WITNESS WHEREOF, the Beneficiary has caused this Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, and the Trustee and Bank have duly executed and delivered this Trust Agreement on the day and year first above written.

PAC RAIL III

By: 

Name: Edward R. Govey

Title: President

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION
as Trustee

By: _____

Name:

Title:

IN WITNESS WHEREOF, the Beneficiary has caused this Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, and the Trustee and Bank have duly executed and delivered this Trust Agreement on the day and year first above written.

PAC RAIL III

By: _____
Name:
Title:

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION
as Trustee

By:  _____
Name: Greg A. Hawley
Title: Assistant Vice President

SUPPLEMENT A TO TRUST AGREEMENT

This Supplement A, dated as of August 3, 1993, to Trust Agreement, dated August 3, 1993, between PAC RAIL III, a California corporation (the "Beneficiary"), and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association (in its individual capacity "Bank", and not in its individual capacity but solely in its capacity as trustee hereunder, the "Trustee").

W I T N E S S E T H :

WHEREAS, the Beneficiary and Trustee have heretofore entered into the Trust Agreement, dated August 3, 1993, as from time to time supplemented and amended (collectively, the "Trust Agreement"), for certain Units (except as otherwise defined herein, the terms used herein shall have the same meaning as the terms defined in the Trust Agreement);

WHEREAS, the Trust Agreement provides for the execution and delivery of this Supplement A thereto, which shall, among other matters, particularly describe the Units being subjected to the terms and conditions of the Trust Agreement by this Supplement A thereto;

WHEREAS, by a Bill of Sale dated August 3, 1993 the Original Lessor sold to the Trustee the Units listed on Annex A attached hereto;

WHEREAS, as of the date hereof the Beneficiary has placed such Units under the Trust Agreement pursuant to certain Operative Documents and the Trustee has accepted such Units and Operative Documents; and

WHEREAS, the Beneficiary and the Trustee wish to supplement the Trust Agreement to confirm that the Beneficiary has added such Units and Operative Documents;

NOW, THEREFORE, the Beneficiary and Trustee hereby agree as follows:

1. The Trust Agreement is hereby supplemented to confirm the addition thereto of the Units and Operative Documents listed on Annex A attached hereto and by this reference made a part hereof.

2. The Trust Agreement is supplemented only as specifically provided herein and, as so supplemented, shall continue in full force and effect.

3. This Supplement A may be executed by the Beneficiary and the Trustee in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument.

[The rest of this page is intended to be blank.]

IN WITNESS WHEREOF, the Beneficiary has caused this Supplement A to the Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, and the Trustee has caused this Supplement A to the Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, on the day and year first above written.

PAC RAIL III

By: _____

Name: _____

Title: _____

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION
as Trustee

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Beneficiary has caused this Supplement A to the Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, and the Trustee has caused this Supplement A to the Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, on the day and year first above written.

PAC RAIL III

By: _____

Name: _____

Title: _____

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION
as Trustee

By: _____

Name: Greg A. Hawley

Title: Assistant Vice President

ANNEX AUNITS

<u>Equipment Description</u>	<u>Quantity</u>	<u>Identification Numbers</u>
GM SD40-2	10	6961-6970 (inclusive)

TRUST AGREEMENT DEFINITIONS

"Units" shall mean the Units referred to above as more fully described in the Lease.

"Lease" shall mean that certain Lease Agreement dated as of the 3rd day of August, 1993, among between the Lessee and the Owner Trustee, as the same may be amended, modified or supplemented from time to time.

"Lessee" shall mean Consolidated Rail Corporation.

"Operative Documents" shall mean the Loan Agreement dated as of August 3, 1993 among the Owner Trustee, the Beneficiary, Concord Asset Management, Inc. and the documents executed in connection therewith.

SUPPLEMENT NO. 1 TO TRUST AGREEMENT

This Supplement No. 1, dated September 30, 1993, to Trust Agreement, dated August 3, 1993, between PAC RAIL III, a California corporation (the "Beneficiary"), and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association (in its individual capacity "Bank", and not in its individual capacity but solely in its capacity as trustee hereunder, the "Trustee").

W I T N E S S E T H :

WHEREAS, the Beneficiary and Trustee have heretofore entered into the Trust Agreement, dated August 3, 1993, as from time to time supplemented and amended (collectively, the "Trust Agreement"), for certain Units (except as otherwise defined herein, the terms used herein shall have the same meaning as the terms defined in the Trust Agreement);

WHEREAS, the Trust Agreement provides for the execution and delivery of this Supplement No. 1 thereto, which shall, among other matters, particularly describe the Units being subjected to the terms and conditions of the Trust Agreement by this Supplement No. 1 thereto;

WHEREAS, the Beneficiary wishes to place the Units under the Trust Agreement pursuant to certain Operative Documents and the Trustee is willing to accept the Units and Operative Documents; and

WHEREAS, the Beneficiary and the Trustee wish to supplement the Trust Agreement to permit the Beneficiary to add the Units and Operative Documents;

NOW, THEREFORE, the Beneficiary and Trustee hereby agree as follows:

1. The Trust Agreement is hereby supplemented to add thereto the Units and Operative Documents listed on Annex A attached hereto and by this reference made a part hereof.

2. The Trust Agreement is supplemented only as specifically provided herein and, as so supplemented, shall continue in full force and effect.

3. This Supplement No. 1 may be executed by the Beneficiary and the Trustee in separate counterparts, each of

which when so executed and delivered shall be an original,
but all such counterparts shall constitute one and the same
instrument.

* 00362/W300/035, 000/036grwmtb/ukm0000p. 1

IN WITNESS WHEREOF, the Beneficiary has caused this Supplement No. 1 to the Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, and the Trustee has caused this Supplement No. 1 to the Trust Agreement to be duly executed and delivered by one of its officers thereunto duly authorized, on the day and year first above written.

PAC RAIL III

By: _____

Name: _____

Title: _____

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION
as Trustee

By: _____

Name: Greg A. Hawley

Title: Assistant Vice President

ANNEX AUNITS

<u>Equipment Description</u>	<u>Quantity</u>	<u>Identification Numbers</u>
GM SD40-2	14	6971-6980 (inclusive), 6982, 6985, 6987 6988

TRUST AGREEMENT DEFINITIONS

"Units" shall mean the Units referred to above as more fully described in the Lease.

"Lease" shall mean that certain Lease Agreement dated as of the 3rd day of August, 1993 among between the Lessee and the Owner Trustee as the same may be amended from time to time.

"Lease Supplement No. 1" shall mean the Lease Agreement Supplement No. 1 dated September 30, 1993 between the Owner Trustee and the Lessee.

"Lessee" shall mean Consolidated Rail Corporation.

"Operative Documents" shall mean the Loan Agreement dated as of August 3, 1993 among the Owner Trustee, the Beneficiary, Concord Asset Management, Inc. and the documents executed in connection therewith.

ANNEX B

Equipment Description

<u>Type</u>	<u>Quantity</u>	<u>Identification Numbers</u>
GM SD 40-2 Locomotives	40	CR 6960 through 6999 (inclusive)